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September 30, 2010

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The Honorable Henry A. Waxman
Chairman
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Bart Stupak
Chairman
Subcommittee on Oversight and Investigations
2125 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Waxman and Chairman Stupak:

While President Obama has repeatedly stated that job creation is his highest priority, the Administration is failing to make jobs a priority in a host of economic and regulatory initiatives affecting broad sectors of the U.S. economy. The Energy and Commerce Committee has a strong interest in ensuring that Administration policies foster economic growth and job creation. Given this interest, we respectfully request you schedule an oversight hearing on the Administration's failure to evaluate job impacts in connection with its significant regulatory initiatives.

Over the past year, Minority oversight inquiries have revealed a number of specific instances in which the Administration has taken major regulatory actions without weighing the impacts of those actions on economic growth and job creation. For example, in November 2009, we asked the Administrator of the Environmental Protection Agency (EPA) for any evaluations of overall job losses and/or shifts in employment in the United States that may occur as a result of the agency's endangerment finding and EPA's proposed greenhouse gas regulations, which have the potential to be the most complex, costly, and burdensome in EPA's history. In January 2010, EPA advised us that it had no responsive documentation analyzing potential job losses.¹

¹ See <http://republicans.energycommerce.house.gov/news/PRArticle.aspx?NewsID=7620>.

Similarly, in June 2010, we asked the EPA Administrator whether the agency had prepared any analyses of job impacts of its proposed new national ozone standards, which EPA estimates would result in implementation costs ranging from \$19 to \$90 billion annually. We specifically requested any analyses of the employment impacts, potential relocation of production facilities outside the U.S., and impacts on small businesses. In August 2010, we were advised by EPA that it “did not analyze the potential employment impacts of the proposed standards” or the potential relocation of facilities outside the United States, and that it was not required to and had not conducted an analysis of the impacts on small businesses of the proposed standards.²

In addition, in March 2010, we asked the Chair of the White House Council on Environmental Quality (CEQ), who serves as the President’s principal environmental policy advisor, whether any economic or job analyses were done in connection with its proposed climate change National Environmental Policy Act guidance for federal agencies regarding climate change analyses for major federal actions. The draft guidance appears to create additional regulatory hurdles for new infrastructure and other large projects, including for obtaining federal financing, grants, permits, licenses, rights of way and other necessary regulatory approvals for projects anticipated to cause 25,000 metric tons or more of carbon dioxide equivalent emissions annually. In August 2010, we were advised by CEQ that no economic analysis of the new guidance was required. We also asked CEQ whether the Administration is taking any actions to ensure that the economic and job impacts are considered and evaluated before the Administration promulgates new environmental regulations and received no response.³

There are even questions in connection with the economic bailout last year, and whether jobs were a primary factor driving certain decisions by regulators in the Administration. For example, according to a report from the Special Inspector General for the Troubled Asset Relief Program, the Treasury Department made a series of decisions that contributed to the accelerated shuttering of thousands of small businesses and the loss of tens of thousands of jobs in connection with the GM Chrysler bailout. The report concluded the Treasury Department had not fully weighed potential job losses and found “there was no effort even to quantify the number of job losses that the Auto Team’s decision would contribute to until after the decision was made.” The Special Inspector General further found that “the effect on the broader economy caused by accelerated dealership terminations similarly was not sufficiently considered.” These decisions were made, the report noted, “[i]n the face of the worst unemployment crisis in a generation and during the same period in which the Government was spending hundreds of billions of dollars on a stimulus package to spur job growth.”⁴

Given the paramount importance of economic growth and job creation, we respectfully request you schedule an oversight hearing to examine Administration decision-making and

² See <http://republicans.energycommerce.house.gov/news/PRArticle.aspx?NewsID=8026>.

³ See (<http://republicans.energycommerce.house.gov/news/PRArticle.aspx?NewsID=8024>).

⁴ See http://www.sigtar.gov/reports/audit/2010/Factors%20Affecting%20the%20Decisions%20of%20General%20Motors%20and%20Chrysler%20to%20Reduce%20Their%20Dealership%20Networks%207_19_2010.pdf


consideration of job impacts in connection with major rulemaking and other regulatory initiatives that may adversely affect employment in the United States. In light of the cascade of recent and proposed new multibillion dollar regulations being promulgated by the EPA, we specifically request the hearing include EPA, among the other relevant Administration officials, to address the employment implications of that agency's major pending rulemakings.

Thank you for your consideration.

Sincerely,



Joe Barton
Ranking Member



Michael C. Burgess
Ranking Member
Subcommittee on Oversight and Investigations